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EXAMINER

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte JOHN N. GROSS

Appeal 2009-2646
Application 10/770,937
Technology Center 3600

Decided: March 30, 2009

Before MURRIEL E. CRAWFORD, ANTON W. FETTING, and
JOSEPH A. FISCHETTI, Administrative *Patent Judges*.

FISCHETTI, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

Appellant seeks our review under 35 U.S.C. § 134 of the Examiner's final rejection of claims 1-36. We have jurisdiction under 35 U.S.C. § 6(b). (2002)

SUMMARY OF DECISION

We AFFIRM.

THE INVENTION

Appellant claims a system and method for monitoring purchase orders and/or rental selections made by consumers, and providing automatic selections, notifications, shipments and exchanges of new items.

(Specification 1:11-13)

Claim 1, reproduced below, is representative of the subject matter on appeal.

1. A method of distributing playable media items over an electronic network from a first computer maintained by a provider of a media distribution service to a second computer used by a subscriber of such service, the playable media items corresponding to machine readable media readable by a subscriber machine player, the method comprising the steps of:

(a) setting up a subscriber delivery queue for the subscriber to be controlled by the first computer, said subscriber delivery queue consisting of an ordered list of one or more playable media items to be delivered to the subscriber in a subscriber-defined priority;

wherein said subscriber delivery queue is set up at least in part in response to item selection directions provided by the subscriber over the network using the second computer;

(b) setting up queue replenishment control rules for the subscriber delivery queue; and

(c) monitoring said subscriber delivery queue in accordance with said queue replenishment control rules to

automatically determine with said first computer if an additional playable media item should be added to said subscriber delivery queue; and

(d) automatically modifying said subscriber delivery queue with said first computer to generate a new ordered list of one or more playable media items in response to the subscriber confirming that said additional playable media item can be included in said subscriber delivery queue;

wherein said subscriber delivery queue is maintained automatically for the subscriber so as to include at least one playable media item which could be delivered to such subscriber.

THE REJECTION

The Examiner relies upon the following as evidence of unpatentability:

Davis	US 6,105,006	Aug. 15, 2000
Berstis	US 6,105,021	Aug. 15, 2000
Kamel	US 2001/0014145 A1	Aug. 16, 2001
Jacobi	US 6,317,722 B1	Nov. 13, 2001
Kolawa	US 6,370,513 B1	Apr. 9, 2002
Nakagawa	US 2002/0046129 A1	Apr. 18, 2002
Raphel	US 2003/0023743 A1	Jan. 30, 2003
Hastings	US 6,584,450 B1	Jun. 24, 2003
Postelnik	US 2006/0218054 A1	Sep. 28, 2006

Appeal 2009-2646
Application 10/770,937

M.A. Ostrom, “With newer releases, Netflix users can anticipate a ‘very long wait’” The Mercury News, July 7, 2002.

The following rejections are before us for review.

1. The Examiner rejected claims 1, 2, 3, 4, 7, 8, 15, 17, 18, 19, 20, 21, 23, 24, 28, 29, 30, and 31 under 35 U.S.C. 103(a) as being unpatentable over Hastings in view of Ostrom.

2. The Examiner rejected claim 5 as unpatentable under § 103 in light of the rejection (1) above and further in view of Raphael.

3. The Examiner rejected claim 6 as unpatentable under § 103 in light of the rejection (1) above and further in view of Berstis.

4. The Examiner rejected claims 9, 10, 11 are unpatentable under § 103 in light of the rejection (1) above and further in view of Postelnik.

5. The Examiner rejected claim 12 as unpatentable under § 103 in light of the rejection (1) above and further in view of Jacobi.

6. The Examiner rejected claim 13 as unpatentable under § 103 in light of the rejection (1) above and further in view of Davis.

7. The Examiner rejected claim 14 as unpatentable under § 103 in light of the rejection (1) above and further in view of Nakagawa.

8. The Examiner rejected claim 16 as unpatentable under § 103 in light of the rejection (1) above and further in view of Kamel.

9. The Examiner rejected claims 20, 21, 25, 26, 27, 32, 33, 34 are unpatentable under § 103 in light of the rejection (1) above and further in view of Official Notice.

10. The Examiner rejected claim 36 as unpatentable under § 103 in light of Hastings taken with Kolawa and Official Notice.

ISSUE

Has Appellant shown that the Examiner erred in rejecting claims 1, 2, 3, 4, 7, 8, 15, 17, 18, 19, 20, 21, 23, 24, 28, 29, 30, and 31 under 35 U.S.C. 103(a) as being unpatentable over Hastings in view of Ostrom on the grounds that a person with ordinary skill in the art would have known that the MAX TURNS rules which control the output of titles to the customer in Hastings also cause the delivery queue to be maintained automatically for the subscriber so as to include at least one playable media item which could be delivered to such subscriber.

Has Appellant shown that the Examiner erred in rejecting the remaining claims on appeal under 35 U.S.C. 103(a) as being unpatentable over Hastings in view each of several other references in that a person with ordinary skill in the art would have known to make such combinations.

FINDINGS OF FACT

We find the following facts by a preponderance of the evidence:

1. The Examiner found that Hastings discloses
(c) monitoring said subscriber delivery queue in accordance with said queue replenishment rules; wherein said subscriber delivery queue is maintained automatically for the subscriber so as to include at least one playable media item which could be delivered to such subscriber (ibid.).
(Answer 5)

2. Ostrom discloses:

Selecting from nearly 12,000 titles, Netflix subscribers create a list of movies in order of preference. Movie requests are generally fulfilled on a first-come, first-serve basis. If a top pick isn't available, Netflix sends the next movie on the list. While savvy subscribers reorder their preference list regularly to ensure that the new releases stay at the top, even that is not a guarantee... (Ostrom, p.1)

3. The Specification describes:

A Subscriber Delivery Queue Module 723 controls and updates subscriber delivery queues in response to subscriber selections, automatic return and shipping instructions issued by Media Processing Module 722 (such as when a title is returned) and based on a Intelligent Queue Monitor module 726 described below. (Specification 25: 10-19)

4. Hastings discloses “If the specified number of items are currently rented to customer 102 and the specified item delivery criteria triggers the delivery of one or more additional items, then those items are not delivered until one or more items are returned by customer 102 to provider 104.”

(Hastings, col.5, ll. 44-49)

5. Hastings discloses

Instead of identifying particular movie titles, the movie selection criteria may specify movie preferences for customer 502, e.g., types of movies, directors, actors, or any other movie preferences or attributes. In this situation, provider 504 automatically selects particular titles that

satisfy the movie selection criteria. For example, the movie selection criteria may specify a preference for action movies starring a particular actor, with a preference for "new release" movies. Provider 504 attempt to provide movies to customer 502 that best satisfy the preferences indicated by the movie selection criteria.
(Hastings, col. 10, ll. 3-14)

6. Hastings discloses

If, in step 612, a determination is made that the "Max Turns" limit has been met for the current cycle, i.e., in the present example, four movies 512 have been mailed to customer 502 in the current month, then in step 614 a determination is made whether to override the current "Max Turns" limit. If so, then in step 616, a surcharge is applied to customer 502 and control returns to step 608 where the additional movies 514 are mailed to customer 502. If not, then in step 618, a determination is made whether to continue the subscription service. If so, then no additional movies are mailed to customer 502 during the current cycle, e.g., the current month, and the control returns to step 610. If, in step 618, a determination is made that service is not to be continued, then the process is complete in step 620. (Hastings, col.10, ll. 52-64)

7. The Examiner found:

Hastings discloses the user providing movie selection criteria such as types of movies, actors, directors, etc. (column 9, line 63, through column 10, line 14). Thus, Hastings's method would have to involve analyzing "other playable media items" to determine what type of movies they were, who

the actors and directors were, etc., in order to accomplish Hastings's disclosed purpose. (Answer 22-23)

8. The Examiner found with respect to claim 9 that:

Hastings does not disclose sending a notification to the subscriber after step (c) when the queue replenishment control rules determine that the subscriber delivery queue should be modified, but it is well known to send customers notifications of pending deliveries, modifications to their orders, etc., as taught, for example, by Postelnik (paragraph 74). Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention to send such a notification, for such obvious advantages as assuring a subscriber of the imminent shipment of desired items, or enabling a subscriber to modify his preference list to receive a more desired item (as set forth in Ostrom). (Answer 9)

9. The Examiner found with respect to claim 12 that:

Hastings does not disclose that the notification includes an embedded uniform resource link (URL) or an electronic response field in the notification so as to allow the subscriber to review playable media title recommendations from a recommender system, but Jacobi teaches notifications including hyperlinks to allow a user to review recommendations from a recommender system (column 10, lines 54-62). Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of

applicant's invention for the notification to include an embedded uniform resource link (URL) or an electronic response field, for the obvious advantage of profiting from selling (or renting) items to the subscriber that the subscriber is likely to be interested in. (Answer 10-11)

10. The Examiner found with respect to claim 13 that

Hastings does not disclose that the subscriber delivery queue is automatically modified in accordance with the queue replenishment rules after a predefined time delay, but it is well known to take action after a predefined time delay, as taught, for example, by Davis (column 23, lines 16-26). Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention for the subscriber delivery queue to be automatically modified in accordance with the queue replenishment rules after a predefined time delay, for at least the obvious advantage of giving someone (the subscriber, or an administrator), time to make any manual modification which seem indicated. (Answer 11)

11. The Examiner found with respect to claim 14 that

Hastings does not disclose that the notification provides directions for the subscriber to accept and/or modify said additional playable media item, but Ostrom, as noted, discloses the subscriber modifying (or, by default, accepting) a list, and it is well known to provide directions, as taught, for example, by Nakagawa (display of directions in paragraph 41). , Hence, it would have been obvious to one of ordinary skill in the art of

electronic commerce at the time of applicant's invention to provide such directions, for the obvious advantage of enabling the subscriber to readily modify (or accept) the queue according to his wishes. (Answer 11-12)

12. The Examiner found with respect to claim 15 that "...Hastings discloses a trigger event to determine delivery of an item to a subscriber (column 5, lines 1-14; column 14, lines 1-17), which implies modifying the subscriber delivery queue (at least by deleting the item now delivered)." (Answer 7)

13. The Examiner found with respect to claim 16 that:

Hastings does not disclose that the trigger event is associated with a quantity of playable media items remaining in said subscriber delivery queue, but a trigger event could be associated with a quantity of playable media items remaining in the delivery queue in several ways (e.g., the queue might have become too large or too small), and it is well known at least to add additional items to a queue which has become too small, as taught, for example, by Kamel (paragraphs 161, 162, 167, and 168). Hence, it would have been obvious to one of ordinary skill in the art of electronic commerce at the time of applicant's invention for the trigger event to be associated with a quantity of playable media items remaining in said subscriber delivery queue, for the obvious advantage of assuring an adequate quantity of playable media items in the queue. (Answer 12)

PRINCIPLES OF LAW

“Section 103 forbids issuance of a patent when ‘the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.’” *KSR Int’l Co. v. Teleflex Inc.*, 127 S.Ct. 1727, 1734 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the prior art, (3) the level of skill in the art, and (4) where in evidence, so-called secondary considerations. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18 (1966). *See also KSR*, 127 S.Ct. at 1734 (“While the sequence of these questions might be reordered in any particular case, the [*Graham*] factors continue to define the inquiry that controls.”)

ANALYSIS

We affirm the rejection of claims 1-36.

Independent claim 1:

Appellant argues that “Ostrom says nothing about *automatically* determining whether an ‘additional playable media item’ should be added to the queue. It is merely repeating the fact that subscribers could add such items manually as is already disclosed in Hastings.” (Appeal Br. 9) (Emphasis original) That argument is not well taken because the Appellant is attacking the reference individually when the rejection is based on a

combination of references and the Examiner found that Hastings and not Ostrom teaches the automatically determining step feature (FF 1). *See In re Keller*, 642 F.2d 413, 426 (CCPA 1981); *In re Young*, 403 F.2d 754 (CCPA 1968). Notwithstanding, *see infra*, our discussion of the MAX TURNS feature of Hastings which we conclude includes an automatic determining feature.

Appellant further argues that “Similarly Ostrom does not "automatically" modify the subscriber queue, this is something that user must do on their own again.” (Appeal Br. 9) In light of the breadth of the claim, the Appellant’s argument is not persuasive as to error in the rejection because we interpret Ostrom’s disclosure of Netflix sending the next movie on the list as modifying the list by decrementing the list by one which decremented list becomes the new list.

Appellant next argues that Hastings makes no mention anywhere of "monitoring" the subscriber's queue and using such information to determine an additional playable media item. He merely fills the queue with items which are from manual selections or with items automatically based on subscriber selection criteria.... (Appeal Br. 10)

The Examiner’s position is that

...this depends on what one understands monitoring the subscriber delivery queue to mean. If monitoring the queue must mean specifically monitoring the number of items in the queue, Appellant's contention is true. If monitoring the

queue can mean monitoring subscriber selections and criteria associated with the queue, and, by implication, monitoring whether particular items are already in the queue, or have been in the past, then Hastings monitors subscriber delivery queues. Examiner may properly give the broadest reasonable interpretation to claim language in the course of examining claims. (Answer 21)

Claim 1 recites: ... *monitoring said subscriber delivery queue in accordance with said queue replenishment control rules to automatically determine with said first computer if an additional playable media item should be added to said subscriber delivery queue.* Thus, first, with regard to Appellant's argument above, the involved language does not use the conjunction "and" making the argument more specific than the scope of the claims. *See In re Self*, 671 F.2d 1344, 1348 (CCPA 1982).

Second, we agree with the Examiner that the mailing queue in Hastings, analogous to Appellant's Subscriber Delivery Queue, is monitored to the extent that Hastings determines or monitors the number of titles mailed to a customer in a given month (FF 6). That is, according to Hastings, the automatic return and shipping instructions are tied to MAX OUT or MAX TURNS rules which control the output of titles to the customer (FF 4, 6). This is similar to Appellant's Subscriber Delivery Queue which is described as controlled by a Subscriber Delivery Queue Module 723 which controls and updates subscriber delivery queues also in response to, *inter alia*, *automatic return and shipping instructions* issued by Media Processing Module 722 (FF 3).

Thus, in the MAX TURNS mode, we read the automated determination as to whether the "Max Turns" limit has been met for the current cycle (FF 6) to be monitoring because the number of titles that have been mailed out is monitored. Further, this monitoring process results in a determination of whether further additional playable media should be mailed, e.g. added to the subscriber delivery queue for mailing when the current "Max Turns" limit is overridden to allow additional movies to be mailed to customer (FF 6). Moreover, in the case where the provider automatically selects the title for the customer and mails same to him/her (FF 5), another title is selected and added to the MAX TURNS queue over the set quota. In so doing, the MAX TURNS mode insures that for a given cycle, and for however many number of overrides occur, at least one playable media can be delivered to a subscriber. In light of the breadth of claim 1, the Appellant's argument is not persuasive as to error in the rejection.

Appellant does not argue the separate patentability of dependent claims 2, 3, 5, 6, 7, 8, 20, 21,23, 24, 25, 26, 27, 28, 29, 30, 31,32, 33 and 34 (Appeal Br. 12) which depend on claim 1. These claims fall with claim 1. *See*, 37 C.F.R. § 41.37(c)(1)(vii)(2004).

Claim 35:

Appellant argues that Hastings has no mention of examining other items in the selection queue as part of a monitoring process, or even for determining what titles to send to a subscriber. The

Appeal 2009-2646
Application 10/770,937

only criteria noted by Hastings are parameters for movies given by the subscriber, which are never then associated with other titles within the subscriber's queue. This limitation is also not taught or suggested in the prior art, and is yet another reason why this claim should be allowed.
(Appeal Br. 11)

The Examiner found that because Hastings discloses selection criteria specifying preferences by a customer so as to automatically select particular titles that satisfy the movie selection criteria, Hastings thus must examine titles to be sure that they meet the selection criteria. (FF 7) In light of the breadth of the claim, Appellant's argument is not persuasive as to error in the rejection because the claim is broad enough to be covered by Hasting's auto select mode.

Claim 4:

Claim 4 recites: *wherein said additional playable media item is automatically inserted in a subscriber-defined delivery order position in said new ordered list of one or more playable media items.*

Appellant argues that:

Ostrom is not referring to an additional playable media item; it is referring to re-arranging a preexisting item in the subscriber's queue, or letting the subscriber add something manually. Thus, it does not teach permitting the subscriber to define the automatic insertion point of a new item.
(Appeal Br. 12)

However, the claims only require the new ordered list be one in number playable media item. Thus, the question of order becomes moot when the claim is read as having only one media in the list. In light of the

Appeal 2009-2646
Application 10/770,937

breadth of the claim, the Appellant's argument is not persuasive as to error in the rejection.

Claim 9:

Claim 9 recites: *sending a notification to the subscriber after step (c) when said queue replenishment control rules determine that said subscriber delivery queue should be modified.*

Appellant argues that "Applicant finds no mention in Postelnik of notices for a subscriber delivery queue...." (Appeal Br. 12.) That argument is not well taken because the Appellant is attacking the reference individually when the rejection is based on a combination of references and Hastings discloses the subscriber delivery queue and Postelnik teaches the general concept of sending a notification back to a user as to a change in the status of an order (FF 8). This is not disputed. *See In re Keller*, 642 F.2d 413, 426 (CCPA 1981); *In re Young*, 403 F.2d 754, 757-58 (CCPA 1968).

Appellant does not argue the separate patentability of claims 10 and 11 which depend on claim 9. These claims fall with claim 9. *See*, 37 C.F.R. § 41.37(c)(1)(vii)(2004).

Claims 12, 13, 14, 16

The Examiner found for each of these claims that the prior art discloses the feature not found in Hastings (FF 9-13). But, Appellant argues against these rejections citing the shortcomings of Hastings. These arguments are not well taken because the Appellant is attacking the reference individually when the rejection of these claims is based on a combination of references, and a reference other than Hastings is used to

teach the alleged shortcoming. *See In re Keller*, 642 F.2d 413, 426 (CCPA 1981); *In re Young*, 403 F.2d 754, 757-58 (CCPA 1968). We note however with respect to claim 16, that Kamel is cumulative given that Hastings discloses a queue of titles which remain un-mailed in queue until cleared by the MAX TURNS or MAXOUT rules (FF 6).

We note that the Examiner's reasoning behind the rejection of claim 15 is based on Hastings alone. In so doing, the Examiner found that Hastings teaches a trigger event (FF 12) which Appellant does not challenge.

Also, with respect to claims 12, 14, 15, and 16, Appellant further argues that "... there was no incentive or suggestion to include such in systems which practice the present claims." (Appeal Br. 13) To the extent Appellant seeks an explicit suggestion or motivation in the reference itself, this is no longer the law in view of the Supreme Court's recent holding in *KSR Int'l Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 1741 (2007). Since the Examiner has provided some articulated reasoning with some rational underpinning for why a person with ordinary skill in the art would modify Hastings as proposed (FF 9-13), Appellant's argument is not persuasive as to error in the rejection. Thus, we do not find error in the rejections of claims 12-16.

Claims 17, 18, and 19

Appellant argues that Hastings does not automatically add titles to the subscriber's queue. We disagree for reasons set forth above related to FF 5.

Appellant further argues that "Hastings says nothing about bumping a

recommended title to the top of the queue, as set out in claim 18. However, claim 18 recites *wherein said recommended playable media item is designated as the next to be delivered from said subscriber delivery queue*. Thus, the Appellant's arguments "fail from the outset because . . . they are not based on limitations appearing in the claims . . .," and are not commensurate with the broader scope of claim 1 which states nothing about bumping a title. *In re Self*, 671 F.2d 1344, 1348 (CCPA 1982). Even still, in the case of an empty Queue, the next recommended title in Hastings would be the next delivered (FF 6). In light of the breadth of the claim, the Appellants' argument is not persuasive as to error in the rejection.

Claim 36

We also affirm the rejection of dependent claim 36 since Appellant has not challenged such with any reasonable specificity (see *In re Nielson*, 816 F.2d 1567, 1572 (Fed. Cir. 1987)).

CONCLUSIONS OF LAW

We conclude the Appellant has not shown that the Examiner erred in rejecting appealed claims 1-36 under 35 U.S.C. § 103(a) as unpatentable over the applied prior art of record.

DECISION

The decision of the Examiner to reject claims 1-36 is affirmed.

Appeal 2009-2646
Application 10/770,937

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R. § 1.136(a)(1)(iv) (2007).

AFFIRMED

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